



**FINANCE**

**Program Goal**

The Finance Department strives to maintain a fiscally sound governmental organization that conforms to legal requirements and to generally accepted financial management principles; maintains effective procurement procedures for commodities and services; provides for effective treasury management and a citywide risk management program; acquires, manages and disposes of property for public facilities; provides an effective debt management program; and provides financial advisory services for all city departments.

**Budget Allowance Explanation**

The 2004-05 Finance operating budget allowance of \$25,848,000 is \$2,429,000 or 10.4 percent more than 2003-04 estimated expenditures. This increase reflects normal inflationary adjustments and maintenance related increases for citywide financial and payroll systems. The increase is partially offset by budget reductions totaling \$340,000.

The budget reductions include holding three positions in the Privilege Licensing Tax Section vacant for twelve months. This reduction may impact the section's ability to respond promptly to taxpayer information requests and conduct timely audits. Also included are reductions for microfilming services, training, office supplies, furnishings, business travel and facilities repairs.

The 2004-05 budget also eliminates one administrative assistant and one secretary position in the Professional Services Resource Center.

**Expenditure and Position Summary**

	2002-03	2003-04	2004-05
Operating Expense	\$22,155,000	\$23,419,000	\$25,848,000
Total Positions	296.5	294.5	292.5
Source of Funds:			
General	\$20,727,000	\$21,954,000	\$24,303,000
Water	706,000	740,000	800,000
Wastewater	722,000	725,000	745,000



## Finance Major Performance Measures and Service Trends

The following significant performance measures and service trends will be achieved with the 2004-05 budget allowance:

	2002-03	2003-04*	2004-05
Investments by Portfolio:			
Treasurer's Group Portfolio -			
Dollars Invested	\$1,112 mil.	\$1,210 mil.	N/A
Average Yield	4.03%	3.60%	N/A
Percentage of			
three-month U.S. Treasury Bill	310%	360%	110%
Average Life (years)	2.0	2.0	N/A
Yield Restricted Portfolio -			
Dollars Invested	\$166 mil.	\$200 mil.	N/A
Average Yield	2.75%	2.00%	N/A
Percentage of			
three-month U.S. Treasury Bill	212%	200%	110%
Average Life (years)	.34	.35	N/A
Other Non-Yield Restricted Portfolio -			
Dollars Invested	\$615 mil.	\$700 mil.	N/A
Average Yield	4.2%	2.25%	N/A
Percentage of			
three-month U.S. Treasury Bill	181%	175%	110%
Average Life (years)	.67	.65	N/A
Dollar value of accounts payable warrants processed	\$1.8 bil.	\$1.6 bil.	\$1.7 bil.
Privilege license tax gross dollars reviewed	\$5.5 bil.	\$3.0 bil.	\$3.0 bil.
Bond Ratings:			
General Obligation - Standard & Poor's	AA+	AA+	AA+
General Obligation - Moody's	Aa1	Aa1	Aa1
Water Revenue - Standard & Poor's	AA	AA	AA
Water Revenue - Moody's	Aa3	Aa3	Aa3
Airport Revenue - Standard & Poor's	AA-	AA-	AA-
Airport Revenue - Moody's	A1	A1	A1
Senior Lien Street Revenue - Standard & Poor's	AA	AA	AA
Senior Lien Street Revenue - Moody's	Aa3	Aa3	Aa3
Senior Lien Excise Tax - Standard & Poor's	AA+	AAA	AAA
Senior Lien Excise Tax - Moody's	Aa2	Aa2	Aa2
Risk management claims received and closed	3,247	2,975	3,100
Receivables:			
Dollar value of receivables billed	\$401 mil.	\$416 mil.	\$430 mil.
Percentage outstanding (as of June 30)	5.0%	4.0%	5.0%
City sales (excise) tax collected	\$512 mil.	\$510 mil.	\$510 mil.

\*Based on 10 months actual experience.

The amounts to be invested for 2004-05 are based on cash available during the fiscal year. Yield performance for each portfolio is measured against the performance of three-month United States Treasury Bills (T-Bill). The department's goal is to achieve at least 110 percent of the three-month United States T-Bill yield.